Petition and Transcript of Record

Supreme Court of the United States

OCTOBER TERM, 1930

No. 103

HARRY F. WAITE, PETITIONER,

vs.

THE UNITED STATES

ON WRIT OF CERTIORARI TO THE COURT OF CLAIMS

PETITION FOR CERTIORARI FILED MAY 7, 1930

CERTIORARI GRANTED OCTOBER 13, 1930

(35,010)

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[fol. 1]

IN SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1930

No. 103

HARRY F. WAITE, Petitioner,

vs.

THE UNITED STATES, Respondent

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CLAIMS

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Harry F. Waite, Prays that a writ of certiorari be issued to the United States Court of Claims to review the decisions of said court rendered February 10th, 1930 and April 7th, 1930, which appear in the transcript of record filed herewith.

The sole and entire issue in this case is whether or not compensation for delay should be allowed on an award of $6,001.42 in a patent infringement case where a reasonable royalty has been established at the rate of $59.42 as of June 15th, 1922. In the Richmond Screw Anchor Company case, reported in 67 Court of Claims 63, the court acted pursuant to a mandate from this court and allowed such compensation for delay. There was a recovery of $25,527.80, of which $16,200.00 was a reasonable royalty at the rate of $20.00 a beam, and the balance representing compensation for delay, or interest. Such a recovery is according to the decision of this court in the case of Phelps v. United States, 274 U. S. 341.

In the case at bar, the Court of Claims refused to follow the ruling in the Richmond Screw Anchor case, and has refused to allow compensation for delay or interest. This is the alleged error on which this petition is based.

[fols. 2 & 3] The matter of compensation for delay has never been passed upon by this Court in a patent case, al-

though it has been passed upon as to other kinds of cases cited in Phelps v. United States, (supra).

Wherefore, because of the gravity and importance of the question involved, your petitioner respectfully prays that a writ of certiorari may be issued out of and under the seal of this Honorable Court directed to the judges of the Court of Claims of the United States, commanding that court to certify and send to this court for its review and determination, on a day certain to be named therein, a full and complete transcript of the record and all proceedings of such Court of Claims in the case, lately pending therein on its docket, No. 129-B, wherein Harry F. Waite is petitioner and the United States is the defendant, and that the said decision of the United States Court of Claims may be reversed by this Honorable Court as to the matter of compensation for delay or interest, and that your petitioner may have such other and further relief as to this Court may seem meet and just, and

Your petitioner will ever pray.

Harry F. Waite, Petitioner, by O. Ellery Edwards, Solicitor for Petitioner. Joseph W. Cox, of Counsel for Petitioner.

Dated April 30th, 1930.

As a member of the bar of this Court, I hereby certify that I have examined the foregoing petition and in my judgment it is well founded and the cause is one in which the prayer of the petition may properly be granted by this Court.

O. Ellery Edwards.

Dated April 30th, 1930.

[fol. 1] IN UNITED STATES COURT OF CLAIMS

B-129

HARRY F. WAITE, Petitioner,

vs.

THE UNITED STATES, Defendant

On Patents Nos. 1,343,599, 1,371,011, and 1,400,333 and 1,420,395

I. PETITION—Filed June 27, 1922

To the Honorable the Judges of the United States Court of Claims:

The Petition of Harry W. Waite, respectfully represents:

I. That your petitioner is a citizen of the United States, and is a resident of the City of New York, County of Queens and State of New York, United States of America; and brings this action in his own right.

II. That this petition is filed against the United States under and pursuant to the provisions of the Act of Congress, approved June 25, 1910, entitled "An Act to Provide Additional Protection for the Owners of Patents of the [fol. 2] United States and for Other Purposes" as amended by the Act of Congress, approved July 1, 1918.

III. That heretofore and before the 6th day of October, 1917, your petitioner was the true original and first inventor of certain new and useful improvements in X-Ray System, not known or used by others in this country before his invention or discovery thereof, not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than two years prior to his application for a patent in this country therefor, not patented in any country foreign to the United States on an application filed by him or his legal representatives or assigns more than twelve months prior to said application for patent in this country, and not in public use or on sale in this country for more than two years prior to his said application for patent in this country; and so being

the true, original and first inventor thereof, your petitioner made due application, according to law, for Letters Patent of the United States therefor; and, on the 15th day of June, 1920, upon his said application and in conformity to law, Letters Patent, in the name of the United States of America, dated June 15th, 1920, No. 1,343,599, duly executed and recorded, sealed with the seal of the Patent Office and signed by the Commissioner of Patents according to law, were duly granted to your petitioner, whereby there was granted and secured or intended to be granted and secured to your petitioner, his heirs and assigns, for the [fol. 3] term of seventeen years from and after the said 15th day of June, 1920, the exclusive right to make, use and vend throughout the United States and Territories thereof, the invention aforesaid, a description whereof, in the words of your petitioner, was given in the schedule annexed to said Letters Patent and made a part thereof, as by reference to said Letters Patent, or to a duly authenticated copy thereof, here in Court to be produced, will more fully and at large appear.

IV. That heretofore and before the 10th day of August 1920, your petitioner was the true original and first inventor of certain new and useful improvements in Automatic Clamp for Bracket Supports, not known or used by others in this country before his invention or discovery thereof, not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than two years prior to his application for a patent in this country therefor, not patented in any country foreign to the United States on an application filed by him or his legal representatives or assigns more than twelve months prior to said application for patent in this country, and not in public use or on sale in this coun-ry for more than two years prior to his said application for patent in this country; and so being the true, original and first inventor thereof, your petitioner made due application, according to law, for Letters Patent of the United States therefor; and on the 8th day of March, 1921, upon his said application and in conformity to law, Letters Patent, in the name of the United States of America, dated [fol. 4] March 8th, 1921, No. 1,371,011, duly executed and

recorded, sealed with the seal of the Patent Office and signed by the Commissioner of Patents, according to law, were duly granted to your petitioner, whereby there was granted and secured or intended to be granted and secured to your petitioner, his heirs and assigns, for the terms of seventeen years from and after the said 8th day of March, 1921, the exclusive right to make, use and vend throughout the United States and Territories thereof, the invention aforesaid, a description whereof, in the words of your petitioner, was given in the schedule annexed to said Letters Patent and made a part thereof, as by reference to said Letters Patent, or to a duly authenticated copy thereof, here in Court to be produced, will more fully and at large appear.

V. That heretofore and before the 20th day of November, 1920, your petitioner was the true, original and first inventor of certain new and useful improvements in Fluoroscopic X-Ray System, not known or used by others in this country before his invention or discovery thereof, not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more than two years prior to his application for a patent in this country therefor, not patented in any country foreign to the United States on an application filed by him or his legal representatives or assigns more than twelve months prior to said application for patent in this country, and not in public use or on sale in this country for more than two years prior to his said application for patent in [fol. 5] this country; and so being the true, original and first inventor thereof your petitioner made due application, according to law, for Letters Patent of the United States therefor; and, on the 13th day of December, 1921, upon his said application and in conformity to law, Letters Patent, in the name of the United States of America, dated December 13th, 1921, No. 1,400,333, duly executed and recorded, sealed with the seal of the Patent Office and signed by the Commissioner of Patents, according to law, were duly granted to your petitioner, whereby there was granted and secured or intended to be granted and secured to your petitioner, his heirs and assigns, for the term of seventeen years from and after the said 13th day of December, 1921,

the exclusive right to make, use and vend throughout the United States and territories thereof, the invention aforesaid, a description whereof, in the words of your petitioner, was given in the schedule annexed to said Letters Patent and made a part thereof, as by reference to said Letters Patent, or to a duly authenticated copy thereof, here in Court to be produced, will more fully and at large appear.

VI. That heretofore and before the 20th day of November, 1920, your petitioner was the true, original and first inventor of certain new and useful improvements in Fluoroscopic Units, not known or used by others in this country before his invention or discovery thereof, not patented or described in any printed publication in this or any foreign country before his invention or discovery thereof, or more then two years prior to his application for a patent in this [fol. 6] country therefor, not patented in any country foreign to the United States on an application filed by him or his legal representativs or assigns more than twelve months prior to said application for patent in this country, and not in public use or on sale in this country for more than two years prior to his said application for patent in this country; and so being the true, original and first inventor thereof your petitioner made due application, according to law, for Letters Patent of the United States therefor; and, on the 20th day of June, 1922, upon his said application and in conformity to law, Letters Patent in the name of the United States of America, dated June 20th, 1922, No. 1,420,395, duly executed and recorded, sealed with the seal of the Patent Office and signed by the Commissioner of Patents, according to law, were duly granted to your petitioner, whereby there was granted and secured or intended to be granted and secured to your petitioner, his heirs and assigns for the term of seventeen years from and after the said 20th day of June, 1922, the exclusive right to make, use and vend throughout the United States and Territories thereof, the invention aforesaid, a description whereof, in the words of your petitioner, was given in the schedule annexed to said Letters Patent and made a part thereof, as by reference to said Letters Patent, or to a duly authenticated copy thereof, here in Court to be produced, will more fully and at large appear.

VII. That your petitioner has never assigned, nor granted any right, title or interest, whatsoever, in or to the said inventions, or in or to said Letters Patent Nos. [fol. 7] 1,343,599, 1,371,011, 1,400,333 and 1,420,395, but still holds and owns the entire exclusive right, title and interest in and to said inventions and Letters Patent, and in and to all rights of action for the past or future infringement of the said Letters Patent.

VIII. That your petitioner is advised and believes, and therefore avers that said Letters Patent Nos. 1,343,599, 1,371,011, 1,400,333 and 1,420,395 are valid and effective in law to secure to your petitioner the exclusive rights and privileges thereby granted; that so far as your petitioner is informed and believes, the public generally have acquiesced in your petitioner's rights under said Letters Patent; that your petitioner is entitled to the exclusive use and enjoyment of said inventions and of said Letters Patent; and that, but for the infringements hereinafter complained of, your petitioner would have been and would now be, in the undisturbed possession use and enjoyment of the said inventions and of the said exclusive rights and privileges and in receipt of the profits of the same.

IX. That the inventions covered and claimed in said Letters Patent Nos. 1,343,599, 1,371,011, 1,400,333 and 1,420,395 were not invented or discovered by your petitioner, while an employee of the Government of the United States, nor during the time of his employment or service by or for the Government of the United States, nor is your petitioner now in the employment or service of the Government of the United States.

X. That your petitioner is informed and believes, and [fol. 8] therefore avers, that the United States, through the officers and employees of its War and Navy Departments, and otherwise has since the grant of said Letters Patent Nos. 1,343,599, 1,371,011, 1,400,333 and 1,420,395, and before the filing of this petition without the license of your petitioner, or without lawful right, made and constructed or caused to be made and constructed and used, or caused to be used, X-ray apparatus containing and embodying the invention covered and claimed by said Letters Patent Nos.

1,343,599, 1,371,011, 1,400,333 and 1,420,395 and all claims of each of said Letters Patent, in violation and infringement of said Letters Patent and of the rights of your petitioner thereunder; that such unlawful and unauthorized use of your petitioner's said inventions has resulted in great injury, damage and loss to your petitioner, to wit, as your petitioner is informed and believes and, therefore avers, the aggregate sum of Fifty thousand dollars, ($50,000) damages, which sum is still due your petitioner, no part thereof having been paid, and which sum or such reasonable compensation for the use by the United States of your petitioner's said inventions as this Honorable Court may find to be due your petitioner, your petitioner avers he is fully entitled to recover from the United States, after allowing all credits and offsets.

XI. That your petitioner's said claim for compensation for the use of his said invention is not based on the use by the United States of any article, apparatus or method owned, leased, used or in the possession of the United States prior to June 25, 1910.

[fol. 9] XII. That your petitioner has not sold or transferred his said claim or any part of the same to any person or persons; that no action has been taken on this claim in Congress or in any of the departments; that your petitioner has not in any way voluntarily aided, abetted or given encouragement in rebellion against the Government of the United States.

XIII. That the facts stated in this petition are true.

Wherefore your petitioner prays judgment in his favor against the United States, for the sum of Fifty thousand dollars ($50,000) and for such other and further relief as to the Court may seem just.

Harry F. Waite. O. Ellery Edwards, Woolworth Building, New York City, Attorney and of Counsel for Petitioner.

[fol. 10] *Duly sworn to by Harry F. Waite. Jurat omitted in printing.*

[fol. 11] II. General Traverse—Filed August 28, 1922

No demurrer, plea, answer, counterclaim, set-off, claim of damages, demand, or defense in the premises, having been entered on the part of the defendant, a general traverse is entered as provided by Rule 34.

III. History of Proceedings

On November 4, 1926, this case was argued and submitted on merits by Mr. O. Ellery Edwards, for plaintiff, and by Mr. John S. Bradley, for defendant.

On December 20, 1926, the court filed tentative findings of fact and set same for hearing on February 7, 1927.

On February 15, 1927, the case was argued and submitted on tentative findings of fact by Mr. O. Ellery Edwards, for the plaintiff, and by Mr. John S. Bradley, for defendant.

On May 2, 1927, the court filed special findings of fact, conclusion of law, and opinion of the court by Booth, J., which are as follows:

[fol. 12] **Special Findings of Fact, Conclusion of Law, and Opinion of the Court by Booth, J.**—Filed May 2, 1927

This case having been heard by the Court of Claims, the court, upon a stipulation of facts signed on behalf of the plaintiff by O. Ellery Edwards, his attorney, and on behalf of the defendant by Assistant Attorney General Robert H. Lovett, and the evidence, makes the following

Special Findings of Fact

I

The plaintiff is a citizen of the United States, residing in the State of New York. He is the president and active managing head of the Waite & Bartlett Manufacturing Co., a corporation duly organized under the laws of the State of New York, and owns the controlling interest therein.

This company is and was his exclusive licensee under his patents here in suit since their issue dates.

II

On October 6, 1917, the plaintiff filed in the United States Patent Office an application for letters patent on certain stated improvements in X-ray systems. Upon this application letters patent No. 1343599 were issued to him June 15, 1920, and the title to the patent therein allowed remains in him. A copy of the file wrapper and contents is in the case as defendants Exhibit No. 6 and is by reference thereto made a part of this finding. A copy of the specifications of said letters patent with annexed drawing is attached to these findings as Appendix No. 1 and made a part hereof by reference.

III

At the time the said application for letters patent was filed there were in the art prior thereto inventions or systems disclosed by the following patents and publications, hereby made a part of these findings by reference:

United States patent 1012326, December 19, 1911, electro-therapeutic apparatus, to Campbell.

United States patent 1122011, December 22, 1914, process and apparatus for producing Roentgen rays, to Lilienfeld.

[fol. 13] British patent 7869, A. D. 1915, published January 13, 1916, improvements in or relating to Röntgen tube apparatus, to Burdon.

United States patent 1182291, May 9, 1916, rectifier, to Meikle.

United States patent 1195632, August 22, 1916, circuit connections of electron-discharge apparatus, to White.

United States patent 1203495, October 31, 1916, vacuum tube, to Coolidge.

United States patent 1211091, January 2, 1917, cathode ray device, to Coolidge.

Article on Tungar rectifier, General Electric Review of March, 1917.

In the same art there were also the following patents granted on applications filed before October 6, 1917:

United States patent 1291379, January 14, 1919, thermionic converter, to Birdsall.

United States patent 1250731, December 18, 1917, X-ray system, to Waite (plaintiff herein).

Prior to the granting and issuing of the said Waite patent No. 1343599 the type of X-ray systems which had been in use or were in use were as follows:

1. The induction coil system using a gas tube. This is the first X-ray system which has been used since 1895.

2. The induction coil system was followed by the Snook system shown in the Snook patent No. 954056 of April 5, 1910. This also used a gas tube.

3. A later advance in the art, of great importance, was the introduction of the Coolidge tube shown in the Coolidge patents No. 1203495, No. 1211091 and No. 1326029 and plaintiff's Exhibit 25. Here a vacuum in the tube was made much higher than any before in use, and no reliance was placed on the atmosphere in the tube for X-ray generation, a hot cathode heated by an independent current being relied upon for the purpose of electron discharge. This tube employed a special cathode heating current and means for supplying the same which means was either a step-down transformer or a storage battery. This tube was supplied with an X-ray generating current from a step-up transformer which was separate from the step-down transformer or storage battery, but connected thereto so that both were charged with high potential. This Coolidge tube came into use in 1913.

None of these prior art structures was used in the advanced hospitals and dressing stations during the World War near the firing line.

Copies of the specifications and drawings annexed thereto of the foregoing nine patents and copy of the said article on the Tungar rectifier are attached to these findings and designated Appendix No. 2.

IV

The claim made and allowed in said letters patent No. 1343599 is stated therein by the plaintiff as follows:

"An X-ray system composed of an X-ray tube with a hot cathode and an anode, a transformer unit with a single

primary and a secondary composed of two sections, one [fol. 14] having a few turns of coarse wire suitable for the cathode heating current, and the other having many turns of fine wire suitable for the X-ray generating current, three wires conecting the X-ray tube and the secondary, two of which connect the coarse wire with the hot cathode and one of which connects the fine wire with the anode, and means for supplying the primary with a suitable electric current."

V

On August 10, 1920, the plaintiff filed in the United States Patent Office an application for letters patent for an automatic clamp for bracket supports, upon which application letters No. 1371011 were issued to him on March 8, 1921. The title to this patent remains in him. A copy of the specifications thereof and annexed drawings is attached to these findings as Appendix No. 4.

VI

At the time of the filing of said application August 10, 1920, there were in the art prior thereto the following United States patents:

No. 375031, December 20, 1887, fire escape, to Westbrook;

No. 833167, October 16, 1906, lampstand, to Hughes;

No. 902949, November 3, 1908, scaffold, to Dibler;

No. 1174051, March 7, 1916, harness hook, to Buland.

Copies of the specifications and annexed drawings, of the foregoing four patents, are attached to these findings as Appendix No. 5.

VII

The claims made by the plaintiff and allowed in Letters Patent No. 1371011, for automatic clamp for bracket supports, are as follows:

"1. A device of the class described, a vertically disposed spindle, a pair of forks with rollers mounted therein, means for holding said forks in rigid relation to each other, a clamp having two parts, springs adapted to separate said parts, a lever with cams adapted to bring said parts together, and a spring stronger than the springs separating the clamp, which is adapted to actuate the lever and cause it to force the two parts of the clamp toward each other.

"2. A device of the class described, a vertically disposed spindle, a pair of forks with rollers mounted therein, means for holding said forks in rigid relation to each other, a clamp having two parts, springs adapted to separate said parts, a lever with cams adapted to bring said parts together, and a spring stronger than the springs separating the clamp, which is adapted to actuate the lever and cause it to force the two parts of the clamps toward each other, and means for counterbalancing the weight of the forks and connected parts which move with them."

VIII

The device made by the Wappler Electric Co. under the contract mentioned in Finding XIV, for holding in place the bracket support on which was to be mounted the X-ray [fol. 15] tube, was of the kind and character described in Letters Patent No. 1371011, issued to the plaintiff, with the following differences: There were no springs adapted to separate the two parts of the clamp; in the place of cams the lever was provided with toggles which were adapted to separate the said parts of the clamp as well as bring them together, and had a spring of indefinite strength, which was adapted to actuate the lever and cause it to force the two parts of the clamps toward each other. This device is illustrated by plaintiff's Exhibit 13, made a part of this finding by reference.

IX

On November 20, 1920, the plaintiff filed in the United States Patent Office an application for letters patent for a vertical fluoroscopic unit. Upon this application Letters Patent No. 1420395 were granted June 20, 1922, and the title to the patent remains in the plaintiff. A copy of the specifications and drawing annexed thereto is attached to these findings as Appendix No. 6.

X

At the time of the filing of said application, November 20, 1920, there was in the prior art the invention shown by United States Letters Patent No. 1285283, for Röntgenoscope, issued November 19, 1918, to McClintock. A copy of

the specifications and drawings thereto annexed of the McClintock patent is attached to these findings as Appendix No. 7.

XI

The claims made by the plaintiff and allowed by the Commissioner of Patents in said Letters Patent No. 1420395 for vertical fluoroscopic unit are as follows:

"1. In a device of the class described, a hot cathode tube for generating X-rays, a fluoroscopic screen adapted to receive said rays, means for causing the fluoroscopic screen and X-ray tube to be raised or lowered together or be supported in a stationary condition at the same level, a control for regulating the quantity of X-ray generation which extends adjacent to the screen and which is supported by the means for supporting the X-ray generating tube.

"2. In a device of the class described, a fluoroscopic screen and means for supporting the same, an X-ray tube adjacent to said screen and means for supporting the same, means for keeping the screen and X-ray tube at corresponding levels, a rheostat carried by said tube supporting means and a rheostat regulating means carried by said tube supporting means with a part always adjacent to said screen whereby the quantity of X-ray generation may be controlled by an operator holding the screen and without moving his body."

XII

The device made by the Wappler Electric Co. under the contract mentioned in Finding XIV for a fluoroscopic unit was of the kind and character described in Letters Patent No. 1420395, issued to the plaintiff.

[fol. 16]

XIII

During the war with Germany the plaintiff conversed with John S. Shearer in the interest of the defendant with regard to some sort of a portable X-ray apparatus for the Army, and this occurred right after Lt. Col. John S. Shearer was appointed at the school of instruction, Cornell Medical School, New York City, New York. Colonel Shearer was an eminent scientist temporarily in the em-

ploy of the United States Army. Doctor Waite and Colonel Shearer talked over the various types of apparatus that were available at that time, but there were none such as Colonel Shearer felt were required for overseas Army service, so that Doctor Waite thereafter conducted a series of experiments with a view to making an apparatus that would fill Colonel Shearer's requirements, and the system of the patent in suit No. 1343599 is the result of Doctor Waite's experimental work. Colonel Shearer approved this system. A number of such units were manufactured by the Waite & Bartlett Manufacturing Co. and delivered to the United States Army during 1917 and 1918 upon contracts with the defendant. Colonel Shearer knew of the application from which this patent developed as early as November 4th, 1919.

XIV

On June 28, 1921, the Wappler Electric Co. entered into a contract with the United States to furnish and deliver thereto, among other things, 50 fluoroscopes, vertical, United States Army type; 50 transformers, improved bedside type; and 50 universal X-ray units, at $249, $97, and $399 each, respectively, all to be according to specifications which were attached to and made a part of the contract, and which provided that said articles were "to be constructed as per standard sample on exhibit at Cornell University, Ithaca, N. Y."

The contract also provided as follows:

"Article IX. The contractor will hold and save the United States, its representatives, and all other persons acting for its agent, contractor or otherwise, harmless from all demands or liabilities for alleged use of any patented or unpatented invention, secret process, or suggestion in, or in the making or supplying of the articles or work herein contracted for, and for alleged use of any patented invention in using such articles or work for the purpose for which they are made or supplied, and if and when required, will discharge and secure the United States from all demand or liability on account thereof by proper release from the patentees or claimants, but if such release is not practicable, then by bond or otherwise, and to the satisfaction of the Surgeon General of the Army."

A certified copy of the aforesaid contract is filed as defendant's Exhibit 27 and is made a part of this finding by reference thereto.

XV

Work upon the contract was immediately started by the Wappler Electric Co. and delivery of the finished articles described therein completed on or about June 15, 1922. The transformer made thereunder by the Wappler Electric Co. is described as follows:

[fol. 17] A single primary winding is carried on a suitable core and adapted to be traversed by the ordinary 110-volt alternating current. Wound upon this primary are two secondary coils, each composed of many thousand turns of fine wire, said secondary coils being connected in series and constituting in effect a single secondary winding, the number of turns of the secondary winding being proportioned to give the desired high voltage for the X-ray generating current. For generating the heating current two separate and distinct coils are used, each composed of a few turns of relatively coarse wire, wound upon the secondary coils, and are known in the art sometimes as tertiary coils. One of the tertiary coils is used at a time, the other being held in reserve in case of a breakdown.

The said transformer is illustrated in Appendix No. 3 to these findings.

XVI

After the war was over, the Surgeon General's Office appointed Lt. Col. Shearer to use his knowledge in the developing, for field service work, apparatus that would be an improvement, if possible, over the defendant's equipment at that time. Dr. Waite was asked by the Surgeon General's Office whether he would be willing to work with Col. Shearer in the perfecting of such equipment and this Dr. Waite agreed to do. He designed, built, and submitted to Col. Shearer apparatus which, in the opinion of Dr. Waite, conformed to Col. Shearer's requirements. Col. Shearer told Dr. Waite what he would like to do, and Dr. Waite's part consisted in designing and making apparatus that would fulfill the defendant's requirements to the best advantage. Within the course of this work, Dr. Waite de-

signed a special clamping device for the tube stand which prevented the tube from falling due to any carelessness on the part of the operator. Dr. Waite applied for a patent upon this device and this developed into a patent which is patent in suit, plaintiff's Exhibit No. 2, No. 1371011. Col. Shearer was fully informed as to this patent and the application from which it developed.

XVII

The device described in Letters Patent No. 1420395, applied for November 20, 1920, granted June 20, 1922, was designed by the plaintiff independently of his Army work.

XVIII

In October, 1920, the Waite and Bartlett Manufacturing Co. completed the making of a sample X-ray outfit of the kind and character determined by the plaintiff and shipped the said outfit to Lieut. Col. John S. Shearer, at Cornell University, Ithaca, New York. This outfit consisted of two transformers, the vertical fluoroscope, one bedside unit, a photograph of which is in evidence as plaintiff's Exhibit 21, which is made a part hereof, by reference, and certain other articles not necessary to enumerate here. These de- [fol. 18] vices constituted the samples which were copied in the latter manufacture of the Wappler apparatus and were the samples referred to in the contract specifications as the "standard samples" on exhibit at Cornell University, Ithaca, N. Y. (Finding XIV.) Col. Shearer had nothing to do with the designing or manufacturing of these samples, further than set forth in Findings XV and XVI. He had the power to accept or reject the same and he elected to accept them.

XIX

About two months before the defendant sent out its proposals for bids the plaintiff knew that the said devices shipped to Lieut. Col. Shearer, at Ithaca, were to be the basis of Government contracts for quantity manufacture of X-ray outfits. Prior to that time plaintiff did not know that the Government would use this apparatus.

XX

On June 16, 1921, the defendant issued its proposal for bids for the manufacture and delivery of the said outfits. The Wappler Electric Co. and the Waite & Bartlett Manufacturing Co. were among those receiving the proposals. In order that the Wappler Electric Co. might make an intelligent bid it was necessary for its agent to go to Ithaca, since the specifications were not fully disclosed in writing in the proposal, but had to be ascertained from the said samples manufactured by the Waite & Bartlett Manufacturing Co. and on exhibition at Ithaca as aforesaid. The vice president of the Wappler Electric Co., Charles Fayer, inspected the sample apparatus there, was informed by the said Shearer that it was developed in his laboratory for the United States Army, and did not know and was not informed that it had been manufactured by the Waite & Bartlett Manufacturing Co. or had in any measure been designed by the plaintiff. There was nothing on the apparatus to indicate the name of the manufacturer or that letters patent thereon had been applied for or allowed, and the said Fayer did not know of any such patent or application therefor. Such marks were ordered on each apparatus. Why they did not appear is not disclosed. Col. Shearer, who was acting for the United States, knew of plaintiff's patent and was fully acquainted with the plaintiff's rights.

XXI

The bids were opened in due course, and it was found that the Wappler Electric Co. had underbid the other bidders, including the Waite & Bartlett Manufacturing Co. Mr. Holman, secretary of the Waite & Bartlett Co., was present and made a memorandum from the several bids. The contract was thereafter awarded to the Wappler Electric Co.

XXII

After the said contract had been entered into between defendant and the Wappler Electric Co. June 28, 1921, the [fol. 19] following correspondence passed between the said company and the Waite & Bartlett Manufacturing Co.:

January 12, 1922.

Wappler Electric Co., Long Island City, N. Y.

GENTLEMEN: We understand that you are infringing the following patents: 1343599, 967469, 1371011, 1400333.

We might also call your attention to the fact that we have an application pending on the mounting of the filament control on the same carriage with the tube and arranged so that it can be controlled same as the shutter is controlled.

Yours very truly, Waite & Bartlett Manufacturing Co.

Dr. HFW:MEM.
Registered mail.

February 4, 1922.

Waite & Bartlett Mfg. Co., 53 Jackson Avenue, Long Island City.

GENTLEMEN: This is in reply to your letter of January 12th.

Will you kindly give us specific instances in which we are supposed to be infringing upon the four patents mentioned in your letter and oblige,

Very truly yours, Wappler Electric Co. (Inc.).
(Signed) A. Mutscheller.

Dr. AM ER.
Registered.

February 6, 1922.

Wappler Electric Co., 162-184 Harris Avenue, Long Island City, N. Y.

Attention of Dr. A. Mutscheller

DEAR SIR: In reply to your letter of February 4th would say, that you have accepted a contract with the Government to deliver vertical fluoroscopes and the new model U. S. Army bedside unit.

Patent 1343599 covers the specified construction of the transformer to be used in the Bedside. Patent 1371011 covers the automatic clamp on the tube stand. Patents 1400333 and 967469 cover the vertical fluoroscope.

We also desire to call your attention to the fact, that your portable X-ray outfit infringes our patent 1277003.

Yours very truly, Waite & Bartlett Mfg. Company.

Dr. HFW:MEM.

June 23d, 1922.

Wappler Electric Co., Harris Avenue, Long Island City.

GENTLEMEN: I call your attention to my following patents: Nos. 1343599, 1371011, 1400333, 1420395.

Yours very truly, Waite & Bartlett Mfg. Co.

Dr. W. B.

[fol. 20] July 5, 1922.

Dr. Harry Waite, % Waite & Bartlett Mfg. Co., 53 Jackson Ave., L. I. City.

DEAR SIR: We have received your letter of June 23rd, in which you call our attention to some patents. We are asking our attorney to look into this matter, as it is not our intention to infringe anyone else's patents.

Thanking you for the information given, we are

Very truly yours, Wappler Electric Co. (Inc.). A. Mutscheller.

Dr. AM, HG.

XXIII

The following statement of facts has been stipulated between the parties to this suit by their attorneys, signed on behalf of the plaintiff by O. Ellery Edwards and on behalf of the defendant by Robert H. Lovett, Assistant Attorney General, and is adopted by the court as part of its special findings of fact herein:

"1. That the mechanisms incorporated in the 'standard samples' referred to in contract between the United States and the Wappler Electric Company, dated June 28, 1921, defendant's Exhibit 27, were brought and paid for by the United States.

"2. That the fifty universal X-ray units, commonly referred to as 'bedside units,' were upon receipt by the United States from the manufacturer, the Wappler Electric Company, unpacked, completely assembled, tested to ascertain that they were in operative condition, and then immediately disassembled and repacked, and, with the exception of one unit, are still in storage in disassembled condition.

"3. That one of said beside units was later shipped to the Army Medical School at Walter Reed Hospital, where it was assembled and tested for about one month to determine its suitability for Army requirements. Although it operated satisfactorily up to its limitations, a more powerful apparatus was considered more suitable. Therefore, it has not been used since the month of test referred to, save for occasional operations in connection with the instruction of students at the school.

"4. That the fifty fluoroscopes referred to in said contract between the United States and the Wappler Electric Company were received by the United States in a disassembled condition from the manufacturers and, with the exception of one, have never been unpacked, the transformers thereof being simply removed from their packing cases, tested to ascertain that they were in operative condition and then immediately repacked. They have remained in storage disassembled ever since with the exception of the one fluoroscope already referred to.

"5. That one of the said fluoroscopes was later shipped to the Army Medical School at Walter Reed Hospital, where it was assembled and tested. With the exception of this test this fluoroscope has been used only two or three times while repairs were being made to the hospital, when it was more convenient to use than the regular equipment."

[fol. 21] XXIV

Prior to the plaintiff's operation of the system of his patent in suit No. 1343599, it was the belief of persons skilled in the art that the tub of such system would burst if a high potential current, suitable for generating X rays, were turned on simultaneously with the cathode heating current.

Conclusion of Law

Upon the foregoing special findings of fact, which are made a part of the judgment herein, the court decides, as a conclusion of law, that the plaintiff is entitled to recover.

The case is remanded to the general docket with leave to either party to take testimony in conformity with the opinion herein.

OPINION

BOOTH, Judge, delivered the opinion of the court:

This is a patent suit. Infringement is alleged. The defense relied upon goes exclusively to invalidity of the patent and nonuser. The patent is No. 1343599, issued to Harry F. Waite on June 15, 1920. The patent was allowed upon a single claim, as follows: An X ray system composed of an X ray tube with a hot cathode and an anode, a transformer unit with a single primary and a secondary composed of two sections, one having a few turns of coarse wire suitable for the cathode heating current and the other having many turns of fine wire suitable for the X ray generating current, three wires connecting the X ray tube and the secondary, two of which connect the coarse wire with the hot cathode and one of which connects the fine wire with the anode, and means for supplying the primary with a suitable electric current.

An intelligent discussion of the conception of the inventor involves a review of antecedent conditions which inspired the effort and point out what the inventor was trying to do and what he did. X ray systems are old, their purpose long since disclosed; but notwithstanding their age, a necessity existed for an X ray system so constructed as to be easily portable and available for use as a bedside unit and behind the lines in time of war. Lt. Col. John S. Shearer was an eminent scientist. During the war he was appointed to the School of Instruction, Cornell Medical School, New York City. Colonel Shearer was deeply interested in securing a type of X ray system available for use by the Army. The plaintiff and Colonel Shearer discussed the question and as a result the plaintiff conducted a series of experiments looking toward the construction of a unit capable of Army use as the urgent needs of the time required. The difficulty to be overcome in existing systems was the obviation of cumbersomeness. If a new system was to be evolved, its utility revolved about a reduction of parts, a simplification in construction, and a material reduction in weight and cumbersomeness. Without going into the scientific causes or factors essential to produce X rays, it is sufficient for the case to limit observation in this

respect to the operation of the Coolidge tube. The functioning of the indispensable element is the supplying of electric current to the Coolidge tube. In the old system the flow of [fol. 22] electric current into and through the Coolidge tube was accomplished by two transformers, one of which supplied low current to the cathode and the other high voltage to the anode. The Coolidge tube exacts a low-voltage current to heat to incandescence the cathode end of the tube and an extremely high voltage for the anode end to generate X rays. This current, as previously observed, was supplied through the medium of two distinct transformers, one of which reduced or stepped down the flow of electric current and the other stepped it up.

The plaintiff conceived the idea of a single transformer capable of doing what had theretofore required two. He combined the mechanism into a single simple unit capable of easy transportation and thereby enabled the creation of an X-ray device susceptible to use wherever ordinary electric current was available. This he did by a simplification of the theretofore double system of transformation of current employed to generate X rays by the use of the Coolidge tube. True, his transformer is simple, and no claim is made for a basic patent of transformers. The claim is essentially a system patent, and the novelty of the invention is its adaptability to this single type of X-ray system employing the Coolidge tube. Instead of employing in separate units a winding of comparatively heavy wire to step down electric current and a winding of a large quantity of very fine wire to step it up, the plaintiff accomplished the same result by adding a few turns of coarse wire to the secondary of his step-up transformer, so that the secondary thereafter became double in its function—i. e., the plaintiff wound around the exceedingly fine wire used to step up the current a few turns of coarse wire to step it down, thus producing a single unit transformer of comparatively small dimensions and weight. What did this accomplish? It materially reduced, if it did not entirely eliminate, the tension dangers to an attendant operating the mechanism by means of the second separate step-up transformer. It simplified the wiring system theretofore employed and reduced to three in number the wires essential to operate the tube, and

as a final and most important result brought into being a compact and portable device capable of easy transportation and reliably available at any place or point where electric current is generated. It made the Coolidge X-ray system available as an X-ray unit behind the lines in the war, and it enabled the use of the system as a bedside unit.

The defendant does not dispute that the Waite transformer is simple, reliable, practical, safe, portable, and sufficiently powerful, claims made for it by the inventor. Neither is it contended that its use in an X-ray system is not new. The defendant challenges the validity of the patent, insisting that it is devoid of novelty. Transformers, it is said, are old. This is true. Their manner of functioning and purpose in use were well known. This too is true. From these statements the defendant deduces the conclusion "that if one wanted to make a transformer from the secondary of which is to be obtained a current of much lower voltage than that of the primary and also a current of much greater voltage than that of the primary, and if it was desired to keep the transformer as small as possible, it would be accomplished by winding the secondary first with the number of turns required for the low step-down voltage, using heavy wire because of the unavoidable increase in [fol. 23] amperage * * * Such transformers have been made and used for many years." In other words, Waite's application of a single and simple transformer to an X-ray generating tube of the Coolidge type was one suggesting itself to anyone skilled in the art and involves mechanics, not invention. A short answer is found in the demonstrated fact that, notwithstanding the Coolidge X-ray system was old, no one prior to Waite did what might have been done.

Keeping in mind that the plaintiff's patent is limited to the single system described, and claims no novelty except as a functioning element of the system, is it impossible for one to claim invention for embodying elements old in the art which, notwithstanding their known status in the scientific world, when applied to a system in a new way never theretofore adopted, enabled the use of the system to be expeditiously and safely made available for its designed creation in a way not theretofore employed? The defendant concedes that a combination of old elements into a new

machine producing a new mode of operation is patentable. What is condemned in plaintiff's patent, both in the brief and testimony of defendant's expert, is that the process of stepping up and stepping down electric current by the use of fine and coarse wires would in primary and secondary windings in a single transformer accomplish nothing new. The plaintiff does assert to the contrary. The plaintiff found an X-ray system employing the wonderful invention of Doctor Coolidge; i. e., the Coolidge X ray cathode tube. Electric current was supplied to the tube by means of two separate and distinct transformers, one to step down, the other to step up, the necessary voltage. It was, of course, in use and served a most important purpose in the medical and scientific world; but it was not adapted for use in the Army. It was cumbersome and incapable of sudden removal from place to place. The wiring was complicated, the separate units employed were heavy and detached. The Army of the United States wanted a portable system; no thought of discarding the Coolidge tube prevailed; no possibility of eliminating the factors indispensable to generate X rays. Something was to be done to preserve intact the X ray system, but simplify the mechanism and make it available where it had not been universally or uniformly available before. This is what the plaintiff did. He took the elements old in the art, combined them, it is true, as they had been combined before; but with his combination he secured a new and unique application of the power in a way not theretofore done or suggested. He made it possible to use an X ray system under circumstances and in places the system existing had been excluded from. This, we think, narrow and limited as it is, was invention. It was not the invention of a transformer; it was the original idea of taking what was in the art and adapting it to a new purpose in a novel way.

We need not dwell upon the beneficial results which followed the use of plaintiff's device in connection with the X-ray system. It was used in the war most beneficially, and it is being used by the Army to-day. We have no doubt upon the subject of user. The defendant's alleged modification is not sufficiently distinct to differentiate the two transformers. The plaintiff's patent was sufficiently broad

to cover all structures coming within his claim. The findings show that the defendant used the patent in suit and [fol. 24] used it to very great advantage. The two separate transformers were discarded and the defendant has found the new Coolidge X ray system with the plaintiff's transformer to be one adaptable to its needs and occupying a place the old system did not meet.

We do not go at length into the prior art. The findings afford an opportunity for its review. The single claim of the patentee and the acknowledged limitations of his patent circumscribe the inquiry. The exhibits filed and considered unmistakably disclose that prior to the plaintiff's patent the Coolidge X ray system functioned by the use of and depended upon a single step up transformer for supplying current to the anode and another step-down transformer for voltage to the cathode. And no exhibit appears in the record of a combined transformer suitable to or adaptable to use with a Coolidge tube X-ray system, except the patent in suit. So far as the prior art is involved, we feel confident in the assertion that no single transformer appears of record to have the windings necessary to use in a Coolidge X ray system.

A doubt existed as to compliance by the patentee with R. S. section 4900, as amended by the act of February 7, 1927, requiring the marking and giving notice of patents. The parties were required to furnish additional briefs upon this point. We now believe that even in the absence of markings that the United States was fully advised and possessed knowledge of plaintiff's patent. Doctor Shearer knew of plaintiff's patent at the time he exhibited the patent to prospective bidders, and in addition to this he assembled the parts of the patent and was fully cognizant of the existence of plaintiff's rights. The testimony does disclose that the plaintiff gave instructions to mark the patent, but it was not done. On the other hand, the representative of the successful bidder to manufacture for the Government the patent in suit does not expressly disclaim knowledge of the existence of the patent. It is impossible to conclude that any injury was done because of the absence of the markings. This is a suit against the Government, and notice to the Government of plaintiff's patent rights is clearly established.

Two other minor patents are declared upon. Plaintiff does not insist upon them if sustained as to patent 1343599. If patents No. 1371011 and No. 1420395 are relied upon as augmenting damages as for infringement, we think both have been anticipated by the prior art, and that as to No. 1371011 the defendant did not use it.

The case will be remanded to the general docket in accord with the agreement of the parties, with leave granted to take such proof as the agreement provides for respecting damages. It is so ordered.

Moss, Judge; Graham, Judge; Hay, Judge; and Campbell, Chief Justice, concur.

[fol. 25] V. Argument and Submission of Case as to Amount Recoverable

On January 14, 1930, this ca[illegible] was argued and submitted by Mr. O. Ellery Edwards, for plaintiff, and by Mr. Percy M. Cox, for defendant.

[fol. 26] **Special Findi[illegible]s of Fact, Conclusion of Law, and Memorandum by the Court** - Filed February 10, 1930

This case having been heard by the Court of Claims, the court upon the report of a commissioner and the evidence makes the following

Special Findings of Fact

I

A summar[illegible] of th[illegible] bids under which the contract for vertical fluorescents, transformers, and universal units was awarded to the Wappler Company is as follows:

Item	Waite & Bartlett Co	Wappler Co	Victor Co. (a subsidiary of General Electric Co.)
Vertical fl[illegible] rescents	$311.00	$245.00	$260.00
Tra[illegible]rmer	235.00	97.00	139.00
Univ[illegible]al	775.00	380.00	.....

II

If the Waite & Bartlett Company had been awarded the contract entered into by the Government under date of June 28, 1921, with the Wappler Electric Co., the labor and material cost per unit would have been as follows:

Item	Cost
Vertical fluoroscope	$178 89
Transformer	133 00
Universal unit	400 16

and the gross profit per unit, omitting overhead, would have been—

Item	Cost
Vertical fluoroscope	$132 11
Transformer	102 00
Universal unit	374 04

[fol. 27] The overhead of the Waite & Bartlett Company during the year of the contract was 40%. There is no evidence as to what proportion or percentage of overhead would have been allocated to the above units had the Waite & Bartlett Company been awarded the contract, and no evidence of what the net profit per unit would have been.

III

Between June 28, 1921, and June 15, 1922, the Wappler Company manufactured and delivered to the Government under the contract of June 28, 1921, or in connection therewith—

50 vertical fluoroscopes.

51 transformers.

50 Universal X-ray units with transformers.

The cost per unit, inclusive of material, labor, and allocated overhead, was as follows:

Vertical fluoroscope	$249.40
Transformer	58.05
Universal X-ray unit	353.88

The profit made per unit by the Wappler Company was as follows:

Vertical fluoroscope	$0 40 (loss)
Transformer	38.95
Universal X-ray unit	45.12

IV

The X-ray units furnished the Army by plaintiff in 1917 an 1918 were sold at a price of $400.00 per unit. The transformers used in these units were made for the Waite & Bartlett Company by a sub-contractor; some at a cost to the Waite & Bartlett Company of $100.00 per transformer, and others at a cost of $71.00 per transformer.

The total labor and material cost per X-ray unit was $215.33 with the $100.00 transformers and $186.33 with the $71.00 transformers.

V

With an overhead figure of 40 per cent of labor and material costs, the net profit made by Waite & Bartlett per unit was $98.54 in those employing the transformer costing $100.00, and $139.14 in those employing the transformer costing $71.00.

VI

The claim of the patent in suit specifies and points out, as plaintiff's invention, a combination or system comprising three elements, to wit: An X-ray tube with a hot cathode, a transformer having a single primary winding and two secondary windings, one of which functions to generate a heating current for the cathode, and three wires connecting the transformer to the tube. Such a combination of elements comprises an operative entirety, not dependent for functioning upon any specific type of tube stand, cabinet, or other accessory.

VII

The cost to Waite & Bartlett of these three elements forming the basis of monopoly of the patent in suit was as [fol. 28] follows: Tube, $80.00; transformer, $100.00 or

$71.00, and wire, $0.30. The tubes were sold to the Government at $107.00 each. Applying 10 per cent for overhead, the figure used by Waite & Bartlett in the sale of the goods manufactured by someone else, the net profit per tube was $19.00. The profit on the transformers was 50 per cent of the profit on the entire apparatus which gives a net profit of $49.27 on those costing $100.00 and $69.57 on those costing $71.00, as calculated from the net profits of Finding V. This gives an average net profit of $59.42 per transformer.

VIII

A profit of approximately 100 per cent of the cost is indicated in the last two figures given in Finding VII. Using this figure as the basis for the profit on the wire connecting the transformer to the tube, the profits on the three elements of Finding VII are as follows: Tube, $19.00, wire, $0.30, and transformers $49.27 or $69.57, giving a total net profit of $68.57 on the transformers costing $100.00 and $88.87 on the transformers costing $71.00.

IX

The milliampere meters which formed a portion of the entire X-ray unit referred to in Finding IV were of stock or standard construction capable of utilization on other electrical devices wherever it was desired to measure current of the same values as those used in the X-ray unit.

The entire value of the X-ray unit referred to in Finding IV is not predicated upon the Waite patent No. 1,343,599.

X

The fifty universal units sold to the Government by the Wappler Company at the price of $399.00 per unit included a transformer as specified in the specifications, defendant's Exhibit 27.

XI

The reasonable and just compensation is $59.42 per transformer, which is the average net profit made by Waite & Bartlett on their previous sale to defendant in 1917 and 1918. This profit on transformers applied to the total of

51 transformers and the 50 universal X-ray units with transformers, referred to in Finding III, gives a total of $6,001.42.

Conclusion of Law

Upon the foregoing special findings of fact, which are made a part of the judgement herein, the court decides, as a conclusion of law, that the plaintiff is entitled to recover the sum of $6,001.42.

It is therefore adjudged and ordered that the plaintiff recover of and from the United States judgment in the sum of six thousand and one dollars and forty-two cents ($6,001.42).

Memorandum

This case is now before the court for the determination of a just and reasonable compensation for the infringement of Waite patent #1,343,599 by the sale of certain X-ray apparatus to defendant under a contract with the Wappler Company as set out in Finding III.

[fol. 29] The monopoly granted by the above enumerated patent relates solely to a transformer for the production of suitable currents for the operation of a Coolidge X-ray tube, which in itself is a well-known commercial product. The devices sold to the Government by the Wappler Company comprised not only transformers but in addition fluoroscope units and a universal X-ray unit which included a transformer.

Plaintiff maintains that the entire value of those various structures sold is predicated upon the Waite patent #1,343,599, and accordingly asks for compensation based upon the entire profits of the fluoroscopes and X-ray units as well as the transformers. This we can not agree to. The units sold incorporate many elements which have value and utilization aside from any specific manner of furnishing or producing exciting currents for the X-ray tube. The vertical fluoroscope comprises as its most essential element an adjustable screen for making observations and the universal X-ray unit includes electrical measuring instruments of standard construction as well as a tube-holding stand. All of these elements are capable of performing their ordi-

nary and customary function aside and apart from any given type of transformer, and the entire value of the apparatus can not be said to be dependent upon plaintiff's transformer structure.

Moreover, plaintiff in his original petition in this case relied upon two other patents, to wit: Waite patent #1,371,011 for a tube holder, and Waite patent #1,420,395 for a vertical fluoroscope unit. By the very fact of including these patents in his petition plaintiff negatives his contention that the entire value of these structures are dependent upon the one patent. The court in its opinion of May 2, 1927, stated, with reference to these other patents—

"If patents No. 1371011 and No. 1420395 are relied upon as augmenting damages as for infringement, we think both have been anticipated by the prior art, and that as to No. 1371011 the defendant did not use it."

To give plaintiff the entire profits upon all of the structures would be in effect to permit plaintiff to recover indirectly for something the court has refused him directly. We therefore hold that plaintiff is entitled to recover only for the transformers.

From Findings IV to VII it appears that in 1917 and 1918 the Waite & Bartlett Company sold X-ray structures to defendant upon which an average net profit was made of $59.42 per transformer. This is a somewhat higher figure than the net profit of $38.95 per transformer which was made by the Wappler Company. The defendant, however, was an old customer of the plaintiff and it is therefore properly deducible that the patentee, by reason of the infringement, lost the sale of the transformers sold by the Wappler Company. It is therefore proper to use such lost profits as a measure of just and reasonable compensation. Plaintiff fails to show any net profits on transformers other than those sold to the defendant in 1917 and 1918, and we are accordingly limited to the above figure of $59.42 per transformer.

Judgment for plaintiff in the sum of $6,001.42. It is so ordered.

[fol. 30] VII. JUDGMENT

At a Court of Claims held in the City of Washington on the 10th day of February, A. D., 1930, judgment was ordered to be entered as follows:

Upon the special findings of fact, which are made a part of the judgment herein, the court decides as a conclusion of law, that the plaintiff is entitled to recover the sum of $6,001.42.

It is therefore adjudged and ordered that the plaintiff recover of and from the United States the sum of Six thousand and one dollars and forty-two cents ($6,001.42).

VIII. PROCEEDINGS AFTER ENTRY OF JUDGMENT

On February 25, 1930, the plaintiff filed a motion for a new trial.

On April 7, 1930, the court entered the following order on said motion:

Order

Plaintiff filed a motion for a new trial, contending that the court erred in not allowing interest on the judgment awarded. We think it clear from authorities that interest may not be allowed. Tilghman v. Proctor, 125 U. S., 136; Goodrich Company v. Consolidated Rubber Tire Co., 251 Fed., 617. It is ordered, therefore, this 7th day of April, 1930, that the plaintiff's motion for new trial be and the same is overruled.

[fol. 31] Clerk's certificate to foregoing transcript omitted in printing.

Endorsed on cover: File No. 35,010. Court of Claims. Term No. 103. Harry F. Waite, petitioner, vs. The United States. Petition for writ of certiorari and exhibit thereto. Filed May 7, 1930. File No. 35,010.

SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed October 13, 1930.

The petition herein for a writ of certiorari to the Court of Claims is granted. And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

FILE COPY

FILED
AUG 5
CHARLES ELMORE CROPLEY

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1930.

No. 103.

HARRY F. WAITE,

Petitioner,

vs.

THE UNITED STATES.

BRIEF IN BEHALF OF THE PETITIONER.

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New York City.

CHARLES WATSON RUSSELL, Printer

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1930.

No. 103.

HARRY F. WAITE,
Petitioner,

AGAINST

THE UNITED STATES.

ON PETITION FOR WRIT OF CERTIORARI TO THE COURT OF CLAIMS.

Brief in Behalf of the Petitioner.

Citations Below.

This case has been reported in the Court of Claims as follows:

1. 57 Court of Claims 546 (Immaterial here.)
2. 63 Court of Claims 438. Decision of May 2, 1927, Rec., p. 9.
3. Court of Claims . Decision of Feb. 10, 1930, Rec., p. 27.
4. Court of Claims . Decision of Apr. 7, 1930, Rec., p. 33.

Jurisdiction.

Jurisdiction in this case to grant this petition rests upon the Act of February 13, 1925, Chapter 229, 43 Stat. 939; U. S. Code, Title 28, Section 288.

Facts.

1. This is a suit brought under the patent laws, and particularly Section 68 of Title 35, U. S. Code, Act of June 25, 1910, Chapter 423, 36 Stat. 851, as amended July 1, 1918, Chapter 114, 40 Stat. 705, to recover for infringement of Letters Patent No. 1,343,599, dated June 15th, 1920, for an X-ray system, granted on an application filed July 6th, 1917, by Harry F. Waite, the petitioner herein. The suit is an ordinary patent suit for the reasonable and entire compensation allowable in such cases (Rec., pp. 3 and 4.) The patent has been found valid and infringed (Rec., p. 21, fol. 21).

2. The claim of the patent in suit, the only claim involved, covers a peculiar transformer with three wires running therefrom and an X-ray tube known as the Coolidge tube with three connections for such wires, and for the purposes of this case the system embodying these features may be called the three wire system (Rec., p. 11, Finding 4). The transformers and connecting wires were manufactured and supplied by the Wappler Manufacturing Co. (Rec., p. 15, Find. 14 and p. 16, Find. 15, and p. 28, Find. 3) and the X-ray tubes, the well-known Coolidge tubes, were furnished by another manufacturer, The General Electric Co. The parts were assembled and tested by the respondent (Rec., p. 21, par. 3). The apparatus is suitable for battlefront conditions where men are to have the benefit of X-ray examination, as near the firing line as pos-

sible, and where an alternating electric current is available (Rec., p. 24).

3. The court below found that 101 infringing transformers were manufactured for the defendant and that a reasonable royalty, due because of the infringements, is $59.42 per transformer. Judgment for compensation was accordingly awarded in the sum of $6,001.42 (Rec., p. 30, Find. 9).

4. Although the government received these transformers and the Wappler contract was completed, on or before June 15th, 1922 (Rec., p. 28, Find. 3) the Court of Claims failed and refused to allow interest on the amount of reasonable royalties from that day (Rec., p. 33, fol. 30).

Assignment of Error.

The sole error complained of is the refusal of the court to allow interest on the amount of reasonable royalties from the time payment thereof should have been made.

The petitioner contends that interest at the rate of 6% should be allowed on the sum awarded, namely $6,001.42 from June 15th, 1922, to the date of final judgment in the case.

ARGUMENT.

POINT ONE.

Interest should be allowed in this case on the amount $6,001.42 from June 15, 1922, to the date of entry of final judgment.

A. The Wappler Company, the contractor, is not an ordinary contributory infringer and liable as a private party ordinarily would be, this case being different in this respect from the *Richmond Screw Anchor* case (275 U. S. 331). The respondent has not assumed the liability of its contractor.

In the *Richmond Screw Anchor* case, the contractor delivered *completed cargo beams, ready for use*, to the United States, and so was a direct infringer. In the case at bar, the contractor delivered transformers and wires, but not Coolidge tubes, they being obtained elsewhere. The claim in suit calls for three elements, namely, the transformer, the three wires and the Coolidge tube, which were assembled by the ~~petitioner~~ respondent. The United States, not the contractor, is here the direct infringer.

In the case of *William Cramp & Sons* v. *International* (246 U. S. 28) the respondent built complete turbines, installed them in ships and delivered them to the United States. In that case it was held that a patent owner had an option to sue either the contractor or the United States. In the *Marconi* case immediately following (246 U. S. 46) where the respondent manufactured parts only of wireless apparatus which were sent to the United States and assembled by it and used, it was found that he was neither a direct nor a contributory infringer and therefore not liable, and suit would lie against the United States, but not the contractor.

After the decision of these cases, the law was amended so as to eliminate the right to sue the manufacturer, but it did not change the law as applied in the *Marconi* case where the United States alone is an infringer. We submit that the court below misunderstood the law when it treated the United States as a private infringer as to this matter of interest.

B. If the respondent be treated as an ordinary infringer, the petitioner is entitled to interest according to the weight of authority, and no recent authority sustains the position below. The decision below is in direct conflict with all these authorities.

The Court of Claims allowed the plaintiff, in the suit at bar, $59.42 per transformer. This was based on the profit made by the Waite & Bartlett Company, the petitioner's corporation, when filling a government contract in 1917 and long before he had a patent. The court did not allow the profits made by the Wappler Company. It allowed what was, in its opinion, all things considered, a reasonable royalty. The cases on which the Court of Claims relied, namely, *Tilghman* v. *Proctor* and *Goodrich* v. *Consolidated*, do hold that interest will not be allowed on profits. The *Goodrich* case also holds that interest will be allowed on a reasonable royalty. See page 624. At a later date, the Circuit Court of Appeals for the Seventh Circuit, which decided this *Goodrich* case, reversed itself and did allow interest on profits. See the case of *Auto Pneumatic Action Co.* v. *Star Piano*, 12 Fed. (2d) 586, from which we quote the following, at the end of the opinion:

> "INTEREST. The master's report was filed June 23, 1924, but interest was allowed from August 2, 1921. By the defendant it is contended that it was error to allow interest until after the filing of the report. By the plaintiff

it is contended that interest should have been allowed from a much earlier date. There has been much controversy and considerable diversity of opinion upon the question of the allowance of interest on profits recovered in infringement cases. In the earlier cases, the Supreme Court of the United States proceeded upon the theory that profits were unliquidated damages and that interest was not allowable thereon. This court has held that the infringer is properly chargeable with interest from the end of the infringing period. *Goodrich* v. *Consolidated Rubber Tire Co.*, 251 Fed. 617, 624; *Malleable Iron Range Co.* v. *Lee*, 263 Fed. 896, 902. In *Miller* v. *Robertson*, 266 U. S. 243, 258, after a review of many cases, the court held:

> 'When necessary, in order to arrive at fair compensation, the court, in the exercise of a sound discretion, may include interest or its equivalent as an element of damages.' "*

So far as we are advised, interest is allowed on a reasonable royalty in all the Circuits where the matter has been passed upon. In the case at bar, the period dates from June 15, 1922. The citations in point are as follows:

> *K. W. Ignition Co.* v. *Tempco Electric Motor* (C. C. A. 6th, 1922), 283 F. 873.
> Interest was due on the amount of the royalty award for infringement from the date infringement ceased.

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*Cases referring to interest on recoveries in infringement cases: *Silsby* v. *Foote*, 20 How. (63 U. S.) 378, 386; *Mowry* v. *Whitney*, 14 Wall. 620 (81 U. S.), 653; *Littlefield* v. *Perry*, 21 Wall. (88 U. S.) 205, 229; *Parks* v. *Booth*, 102 U. S. 96, 106; *I. C. R. R. Co.* v. *Turrill*, 110 U. S. 301, 303; *Tilghman* v. *Proctor*, 125 U. S. 136, 160; *Crosby Valve Co.* v. *Safety Valve Co.*, 141 U. S. 441, 457; *Rubber Co.* v. *Goodyear*, 9 Wall. (76 U. S.) 788, 804; *Nat. Folding Box Co.* v. *Dayton Paper Co.*, 97 Fed 331, 332; *Oehring* v. *Fox Typewriter Co.*, 251 Fed. 584; *Superior Mach. Tool Co.* v. *Cincinnati Lathe & Tool Co.*, 284 Fed. 267, 269; *Dowagiac Mfg. Co.* v. *Deere & Webber Co.*, 284 Fed. 331, 351; *K. W. Ignition Co.* v. *Temco Elec. Motor Co.*, 283 Fed. 873, 880; *Merrell Soule* v. *Powdered Milk Co.* 7 Fed. (2d) 297, 300; *Consolidated Rubber Co.* v. *Diamond Rubber Co.*, 226 Fed. 455, 463.

Malleable Iron Range v. *Lee* (C. C. A. 7th, 1920) 263 Fed. 896.

Interest was due on damages recovered from the end of the infringing period.

Merrell Soule v. *Powdered Sugar* (C. C. A. 2d, 1924) 2 Fed. (2d) 107.

Interest on damages upon fixed royalty basis from time royalty would have been due.

National Tube v. *Mark* (C. C. A. 6th, 1926) 10 Fed. (2d) 430.

Interest on damages on fixed royalty basis calculated from date of infringement and same principal may be applied on a reasonable royalty.

Collins v. *Hupp* (C. C. A. 6th, 1927) 22 Fed. (2d) 27.

Interest on royalty award is allowable from date infringement ceased until final decree.

Muther v. *United Shoe Machinery* (U. S. D. C. Mass. 1927) 21 Fed. (2d) 773.

Where damages for an infringement are computed on reasonable royalties, interest is recoverable from date royalties should have been paid.

Rockwood v. *General* (C. C. A. 2nd, 1930) 27 Fed. (2d) 62.

Interest on award of damages for infringement of a patent on basis of reasonable royalty begins from date of last infringement.

National Brake v. *Christensen* (C. C. A. 7th, 1930) 38 Fed. (2d) 721.

In suit for infringement of patent, upon facts disclosed, interest should have been allowed from date of infringement.

Here, the court said:

> "To make the damaged party whole must be the object of the court in this, as in all other similar suits, where a money judgment or decree is the only remedy obtainable. This denial of interest for a period ranging from 10 to 20 years seems, on its face, unreasonable and unfair."

In this case, a five per cent. reasonable royalty was allowed.

The foregoing shows that there is no real conflict among the decisions of the Circuit Courts of Appeals.

C. If the claim be against the United States, as a special infringer, the petitioner is, we contend, still entitled to interest as a part of his reasonable and entire compensation.

So far as we are aware, this court has never passed on the matter of interest in a patent case, brought up from the Court of Claims, where a reasonable royalty has been allowed. Such interest was allowed by the Court of Claims in the *Richmond Screw Anchor* case, reported in 67 Court of Claims 63.

As to what this court has had to say on the subject of interest in analogous cases, we call the attention of the court to the case of *Phelps* v. *United States,* 274 U. S. 341, where interest was allowed and to the case of *Boston Sand & Gravel Co.* v. *United States,* 278 U. S. 41, where interest was not allowed, the decision being by a divided court, five justices being of the opinion that interest be not allowed and four taking a contrary view.

In the *Phelps* case, the United States did, arbitrarily and by its right of eminent domain, dispossess the petitioner from a dock and proceeded to take over the same for the benefit of the United States. The sub-

stance of the finding in this case was that where private property was requisitioned by the Secretary of War pursuant to an Act of Congress, just compensation, required under the Fifth Constitutional Amendment, included interest at a reasonable rate from the date of use to the time of payment, notwithstanding section 177 of the Judicial Code forbidding interest on claims against the government unless on express contract. It was held that acts of Congress are to be construed and applied in harmony with and not to thwart the purposes of the Constitution.

In the *Boston Sand and Gravel* case, it was stated, near the top of page 47:

> "We start with the rule that the United States is not liable to interest except where it assumes the liability by contract or by the express words of a statute, or must pay it as part of the just compensation required by the Constitution."

The court then went on to show that the particular suit was an admiralty collision suit governed by a special Act which did not provide for interest, and under these circumstances interest was not allowed.

The case at bar is one under the statute for a "reasonable and entire compensation." Reasonable and entire compensation must mean just compensation. Just compensation has been defined in the *Phelps* case as follows, beginning near the top of page 344:

> "Judgment in 1926 for the value of the use of the property in 1918 and 1919, without more, is not sufficient to constitute just compensation. Section 177 does not prohibit the inclusion of the additional amount for which petitioner contends. It is not a claim for interest within the purpose or intention of that section. Acts of Congress are to be construed and applied in harmony with and not to thwart the purpose of

> the Constitution. The government's obligation is to put the owners in as good position pecuniarily as if the use of their property had not been taken. They are entitled to have the full equivalent of the value of such use at the time of the taking paid contemporaneously with the taking. As such payment has not been made, petitioner is entitled to the additional amount claimed."

It is the contention of this petitioner that the case at bar is a *Phelps* case and not a *Boston Sand & Gravel* case. It is a case of the appropriation of property by the government and not damages due to a collision governed by a special statute which does not provide for interest. The petitioner may be wrong in this contention. The matter is one that is open because it has not been settled by this court.

Conclusion.

It is respectfully submitted, in behalf of the petitioner, that this question, of great public importance, should no longer remain open and that this court should allow this petition so that the single law point raised by the established facts in this case may be settled.

Respectfully submitted,

O. Ellery Edwards,
Solicitor for Petitioner.

Dated, N. Y., June 19th, 1930.

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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM—1930.

No. 103.

HARRY F. WAITE,

Petitioner,

against

THE UNITED STATES,

Respondent.

Brief on Behalf of the Petitioner.

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Supreme Court of the United States

OCTOBER TERM, 1930.

No. 103.

HARRY F. WAITE,
Petitioner,

AGAINST

THE UNITED STATES,
Respondent.

Brief on Behalf of the Petitioner.

Citations Below.

This case has been reported in the Court of Claims as follows:

1. 47 Ct. Cls. 546 (Immaterial here.)
2. 63 Ct. Cls. 438 Decision of May 2, 1927, Rec. p. 9
3. Ct. Cls. Decision of Feb. 10, 1930, Rec. p. 27
4. Ct. Cls. Decision of April 7, 1930, Rec. p. 33

Jurisdiction.

Jurisdiction was granted pursuant to an allowance of the petition herein applied for under the Act of Feb-

ruary 13, 1925, Chapter 229, 43 Stat. at large, 939; U. S. Code, Title 28, Sec. 288.

Facts.

1. This is a suit brought under the patent laws, and particularly Section 68 of Title 35, U. S. Code, Act of June 25, 1910, Chapter 423, 36 Stat. 851, as amended July 1, 1918, Chapter 114, 40 Stat. 705, to recover for infringement of Letters Patent No. 1,343,599, dated June 15th, 1920, for an X-ray system, granted on an application filed July 6th, 1917, by Harry F. Waite, the petitioner herein. The suit is an ordinary patent suit for the reasonable and entire compensation allowable in such cases (Rec., pp. 3 and 4). The patent has been found valid and infringed (Rec., p. 21, fol. 21).

2. The claim of the patent in suit, the only claim involved, covers a peculiar transformer with three wires running therefrom and an X-ray tube known as the Coolidge tube with three connections for such wires, and for the purposes of this case the system embodying these features may be called the three wire system (Rec., p. 11, Finding 4). The transformers and connecting wires were manufactured and supplied by the Wappler Manufacturing Co. (Rec., p. 15, Find. 14 and p. 16, Find. 15, and p. 28, Find. 3) and the X-ray tubes, the well-known Coolidge tubes, were furnished by another manufacturer, The General Electric Co. The parts were assembled and tested by the respondent (Rec., p. 21, par. 3). The apparatus is suitable for battlefront conditions where men are to have the benefit of X-ray examination, as near the firing line as possible, and where an alternating electric current is available (Rec., p. 24).

3. The court below found that 101 infringing transformers were manufactured for the defendant and that a reasonable royalty, due because of the infringements, is $59.42 per transformer. Judgment for compensation was accordingly awarded in the sum of $6,001.42 (Rec., p. 30, Find. 9).

4. Although the government received these transformers and the Wappler contract was completed, on or before June 15th, 1922 (Rec., p. 28, Find. 3) the Court of Claims failed and refused to allow interest on the amount of reasonable royalties from that day (Rec., p. 33, fol. 30).

Assignment of Error.

The sole error complained of is the refusal of the court to allow interest on the amount of reasonable royalties from the time payment thereof should have been made.

The petitioner contends that interest at the rate of 6% should be allowed on the sum awarded, namely $6,001.42 from June 15th, 1922, to the date of final judgment in the case.

Issue as Stated by Defendant in Brief on Petition for Writ of Certiorari, p. 3.

"If the phrase 'reasonable and entire compensation,' as used in the Act of 1918, has the same meaning as the phrase 'just compensation,' as used in the Fifth Amendment of the Constitution, it would seem that the court should have allowed interest. (See *Seaboard Air Line Ry.* v. *United States*, 261 U. S. 299; *Brooks-Scanlon Corp.* v. *United States*, 265 U. S. 106; *Liggett & Meyers* v. *United States*, 274 U. S. 215; *Phelps* v. *United States*, 274 U. S. 341.)"

ARGUMENT.

We accept the issue as stated by the other side and will argue accordingly.

Outline of Argument.

Point One.

The word "entire" as used in the Act of July 1st, 1918, means that the respondent assumes full responsibility and liability for the infringements of its contractors.

Wm. Cramp & Sons Co. v. *International Curtis*, 246 U. S. 28;
Richmond Screw Anchor Co. v. *U. S.*, 275 U. S., 331.

Point Two.

The term "just compensation" as used in the Constitution of the United States, 5th Amendment, means the same as "compensation." Similarly, "reasonable compensations" means "compensation."

(As to the first proposition, see *Monongahela Navigation Co.* v. *U. S.*, 148 U. S. 312.)

Point Three.

The history of the Act of July 1st, 1918, shows that the term "reasonable compensation" as used therein means the same as "just compensation" as used in the 5th Amendment to the Constitution.

(a) Conditions prior to the act of June 25, 1910.

James v. *Campbell*, 104 U. S. 356, 357.
Schillinger v. *U. S.*, 155 U. S. 163.
Wm. Cramp & Sons Co. v. *International Curtis* (*supra*).

(b) The effect of the act of June 25, 1910.

Wm. Cramp & Sons v. *International Curtis*, (*supra*).

(c) The effect of the act of July 1st, 1918.

Richmond Screw Anchor v. *U. S.* (*supra*).

(d) The acts of June 25th, 1910 and July 1st, 1918 gave a right to sue the United States so as to make good the "just compensation" clause of the 5th Amendment to the Constitution.

Conclusion.

As the words "reasonable..compensation" and "just compensation" mean one and the same thing, it is obvious, under the admissions of the other side and the decisions of this court, that this petitioner is entitled to recover interest from June 15, 1922 to the date of entry of final judgment.

Point One.

The word "entire" as used in the Act of July 1st, 1918, means that the respondent assumes full responsibility and liability for the infringement of its contractors.

The Act of June 25th, 1910, Chap. 423, 36 Stat. 851, [as amended, 35 U. S. C. 68] did not use this word "entire" and the result was that a patent owner, when his patent was infringed by a contractor working for the respondent, had an option,—to either sue the contractor or he could sue the United States in the Court of Claims. (*Wm. Cramp & Son* v. *International Curtis*, 246 U. S. 28.) To confine the recovery entirely to suit in the Court of Claims against the respondent and to

prevent any interference with the contractor, the Act of July 1st, 1918 was passed. This act is Chap. 114, 40 Stat. 704, 705; 35 U. S. C. 68. This Act had exactly this effect as appears from the following, quoted at the bottom of page 343 and the top of page 344 in the case of *Richmond Screw Anchor Co.* v. *United States*, *supra*:

> "The word 'entire' emphasizes the exclusive and comprehensive character of the remedy provided. As the Solicitor General says in his brief with respect to the act, it is more than a waiver of immunity and effects an assumption of liability by the government."

Point Two.

The term "just compensation" as used in the Constitution of the United States, 5th Amendment, means the same as "compensation." Similarly, "reasonable compensation" means "compensation." ~~As to the first proposition, see *Monongahela Navigation Co.* v. *U. S.*, 148 U. S. 312.~~

> "The language used in the fifth amendment in respect to this matter is happily chosen. The entire amendment is a series of negations, denials of right or power in the government; the last (the one in point here) being: 'Nor shall private property be taken for public use without just compensation.' The noun 'compensation,' standing by itself, carries the idea of an equivalent. Thus we speak of damages by way of compensation, or compensatory damages, as distinguished from punitive or exemplary damages; the former being the equivalent for the injury done, and the latter imposed by way of punishment. So that, if the adjective 'just' had been omitted, and the

> provision was simply that property should not be taken without compensation, the natural import of the language would be that the compensation should be the equivalent of the property. And this is made emphatic by the adjective 'just.' There can, in view of the combination of those two words, be no doubt that the compensation must be a full and perfect equivalent for the property taken; and this just compensation, it will be noticed, is for the property, and not to the owner. Every other clause in this fifth amendment is personal. 'No person shall be held to answer for a capital or otherwise infamous crime.' etc. Instead of continuing that form of statement, and saying that no person shall be deprived of his property without just compensation, the personal element is left out, and the 'just compensation' is to be a full equivalent for the property taken. This excludes the taking into account as an element in the compensation any supposed benefit that the owner may receive in common with all from the public uses to which his private property is appropriated, and leaves it to stand as a declaration that no private property shall be appropriated to public uses unless a full and exact equivalent for it be returned to the owner." (*Monongahela Navigation* v. *United States*, 148 U. S. 312, 325.)

By a parity of reasoning, the term "reasonable compensation" means "compensation." The words "just" and "reasonable" are interchangeable in this connection.

Point Three.

The history of the Act of July 1, 1918, shows that the term "reasonable compensation" as used therein means the same as "just compensation" as used in the 5th Amendment of the Constitution.

For convenience, we will arbitrarily divide the time under consideration into three periods, as follows:

a. Conditions prior to the Act of June 25th, 1910.

b. The period commencing with June 25th, 1910 and ending July 1st, 1918, when the Act was amended; and

c. The period beginning with July 1st, 1918 to the present time.

As to each of these, we will give quotations from the opinions of this court which make conditions clear.

a.—Conditions Prior to the Act of June 25, 1910.

From *James v. Campbell*,

> "That the government of the United States when it grants letters-patent for a new invention or discovery in the arts, confers upon the patentee an exclusive property in the patented invention which cannot be appropriated or used by the government itself, without just compensation, any more than it can appropriate or use without compensation land which has been patented to a private purchaser, we have no doubt. The Constitution gives to Congress power 'to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries,' which could not be effected if the

government had a reserved right to publish such writings or to use such inventions without the consent of the owner. Many inventions relate to subjects which can only be properly used by the government, such as explosive shells, rams, and submarine batteries to be attached to armed vessels. If it could use such inventions without compensation, the inventors could get no return at all for their discoveries and experiments. It has been the general practice, when inventions have been made which are desirable for government use, either for the government to purchase them from the inventors, and use them as secrets of the proper department; or, if a patent is granted, to pay the patentee a fair compensation for their use. The United States has no such prerogative as that which is claimed by the sovereigns of England, by which it can reserve to itself, either expressly or by implication, a superior dominion and use in that which it grants by letters-patent to those who entitle themselves to such grants. The government of the United States, as well as the citizen, is subject to the Constitution; and when it grants a patent the grantee is entitled to it as a matter of right, and does not receive it, as was originally supposed to be the case in England, as a matter of grace and favor.

"But the mode of obtaining compensation from the United States for the use of an invention, where such use has not been by the consent of the patentee, has never been specifically provided for by any statute. The most proper forum for such a claim is the Court of Claims, if that court has the requisite jurisdiction. As its jurisdiction does not extend to torts, there might be some difficulty, as the law now stands, in prosecuting in that court a claim for the unauthorized use of a patented invention; although where the tort is waived, and the claim is placed upon the footing of an implied contract, we understand that the court has in several recent instances entertained the jurisdiction. It is true, it overruled such a claim on the original patent in this case, pre-

sented in 1867; but, according to more recent holdings, it would properly now take cognizance of the case. The question of its jurisdiction has never been presented for the consideration of this court, and it would be premature for us to determine it now. If the jurisdiction of the Court of Claims should not be finally sustained, the only remedy against the United States, until Congress enlarges the jurisdiction of that court, would be to apply to Congress itself. The course adopted in the present case, of instituting an action against a public officer, who acts only for and in behalf of the government, is open to serious objections. We doubt very much whether such an action can be sustained. It is substantially a suit against the United States itself, which cannot be maintained under the guise of a suit against its officers and agents except in the manner provided by law. We have heretofore expressed our views on this subject in *Carr* v. *United States* (98 U. S. 433), where a judgment in ejectment against a government agent was held to be no estoppel against the government itself.

"But as the conclusion which we have reached in this case does not render it necessary to decide this question, we reserve our judgment upon it for a more fitting occasion." (*James* v. *Campbell*, 104 U. S. 356, 357, 358.)

From *Schillinger* v. *U. S.*

"The United States cannot be sued in their courts without their consent, and in granting such consent Congress has an absolute discretion to specify the cases and contingencies in which the liability of the government is submitted to the courts for judicial determination. Beyond the letter of such consent the courts may not go, no matter how beneficial they may deem, or in fact might be, their possession of a larger jurisdiction over the liabilities of the government.

"Until the organization of the court of claims by the act of February 24, 1855 (10 Stat. 612)

the only recourse of claimants was in an appeal to congress. That act defines the claims which could be submitted to the court of claims for adjudication as follows:

"'The said court shall hear and determine all claims founded upon any law of congress, or upon any regulation of an executive department, or upon any contract, express or implied, with the government of the United States, which may be suggested to it by a petition filed therein; and also all claims which may be referred to said court by either house of congress.'

* * * * * *

"On March 3, 1887 (24 Stat. 505), a new act was passed in reference to the jurisdiction of the court, its language being:

"'The court of claims shall have jurisdiction to hear and determine the following matters:

"'First: All claims founded upon the constitution of the United States or any law of congress, except for pensions, or upon any regulation of an executive department, or upon any contract, expressed or implied, with the government of the United States, or for damages, liquidated or unliquidated, in cases not sounding in tort, in respect of which claims the party would be entitled to redress against the United States, either in a court of law, equity, or admiralty if the United States were suable.'

* * * * * *

"Here the claimants never authorized the use of the patent right by the government; never consented to, but always protested against it; threatening to interfere by injunction or other proceedings to restrain such use. There was no act of congress in terms directing, or even by implication suggesting, the use of the patent. No officer of the government directed its use, and the contract which was executed by Cook did not name or describe it. There was no recognition by the government or any of its officers

of the fact that in the construction of the pavement there was any use of the patent, or that any appropriation was being made of claimants' property. The government proceeded as though it were acting only in the management of its own property and the exercise of its own rights, and without any trespass upon the rights of the claimants. There was no point in the whole transaction from its commencement to its close where the minds of the parties met, or where there was anything in the semblance of an agreement. So, not only does the petition count upon a tort, but also the findings show a tort. That is the essential fact underlying the transaction, and upon which rests every pretense of a right to recover. There was no suggestion of a waiver of the tort, or a pretense of any implied contract, until after the decision of the court of claims that it had no jurisdiction over an action to recover for the tort." (*Schillinger v. United States*, 155 U. S. 163, 170.)

The conclusion was that the decision of the Court of Claims, dismissing the petition, be affirmed.

From *Wm. Cramp v. International Curtis.*

"At the time of the enactment of the law of 1910 the following principles were so undisputably established as to need no review of the authorities sustaining them, although the leading cases as to all the propositions are referred to in the margin.

"(a) That rights secured under the grant of letters patent by the United States were property and protected by the guarantees of the Constitution and not subject therefore to be appropriated even for public use without adequate compensation.

"(b) That although the United States was not subject to be sued and therefore could not be impleaded because of an alleged wrongful taking

of such rights by one of its officers, nevertheless a person attempting to take such property in disregard of the constitutional guarantees was subject as a wrongdoer to be controlled to the extent necessary to prevent the violation of the Constitution. But it was equally well settled as to patent rights, as was the case with all others, that the right to proceed against an individual, even although an officer, to prevent a violation of the Constitution did not include the right to disregard the Constitution by awarding relief which could not rightfully be granted without impleading the United States, or, what is equivalent thereto, without interfering with the property of the United States possessed or used for the purpose of its governmental functions.

"(c) That despite the want of authority to implead the United States, yet where an officer of the United States, within the scope of an official authority vested in him to deal with a particular subject, having knowledge of existing patent rights and of their validity, appropriated them for the benefit of the United States by the consent of the owner, express or implied, upon the conception that compensation would be thereafter provided, the owner of the patent right taken under such circumstances might, under the statute law of the United States permitting suits against the United States on contracts express or implied, recover by way of implied contract the compensation which might be rightly exacted because of such taking.

"(d) That where an officer of the United States in dealing with a subject within the scope of his authority infringed patent rights by a taking or use of property for the benefit of the United States without the conditions stated justifying the implication of a contract, however serious might be the infringement or grave to the holder of the rights the consequences of such infringement, the only redress of the owner was

against the officer, since no ground for implying a contract and securing compensation from the United States obtained. (*Wm. Cramp & Son v. International C. M. T.*, 246 U. S. 28, 39.)

b.—The Effect of the Act of June 25, 1910.

The *Cramp* case, as above stated, shows that the effect of the Act of June 25th, 1910 was to give the patent owner, in the event that his patent was infringed by a contractor working for the United States and the infringement occurred in behalf of the United States, an option, to wit: he could sue the contractor or he could sue the United States in the Court of Claims. By the Act of June 25th, 1910, the Congress of the United States recognized the liability of the United States for its infringement of letters patent and provided accordingly for his "reasonable compensation". Of course this Act will be construed and always has been construed, as far as we know, by this Court, pursuant to the Constitution of the United States and not against the same. Nothing further need be said here, because the matter will be more fully discussed under the next heading.

c.—The Effect of the Act of July 1st, 1918.

It appears in the *Richmond Screw Anchor* case, (*supra*), that the Act of July 1st, 1918 was passed at the instance of the acting Secretary of the Navy because, during the war, contractors were put in jeopardy due to patent suits which did interfere with their delivery of war munitions. They were liable to injunctions at a time when such munitions were vital to the safety of the country. As suggested by the acting Secretary, the Act of 1910 was amended so as to relieve the contractor of all liability of every kind whatsoever and make the respondent liable, as above stated. The court was very

particular to point out that the liability assumed by the United States was the same as the liability of the contractor, and the point was important because the law was involved, known as Section 3477 of the Revised Statutes, against the transfer of a claim against the United States. The exact language used by the court is found near the bottom of page 345 and reads as follows:

> "This result, if section 3477, Rev. Stat., applies and avoids the assignment, would seem to raise a serious question as to the constitutionality of the act of 1918 under the Fifth Amendment to the Federal Constitution. We must presume that Congress in the passage of the act of 1918 intended to secure to the owner of the patent the exact equivalent of what it was taking away from him. It was taking away his assignable claims against the contractor for the latter's infringement of his patent. The assignability of such claims was an important element in their value and a matter to be taken into account in providing for their just equivalent. If section 3477 applied, such equivalence was impossible.
>
> "It is our duty in the interpretation of federal statutes to reach a conclusion which will avoid serious doubt of their constitutionality. *Phelps* v. *United States*, 274 U. S. 341. Moreover, we should seek to carry out in our dealing with the act of 1918 and Revised Statutes, sect. 3477, the very important congressional purpose of the former, as already explained, in the promotion of the war as a special legislative intent. It is our duty to give effect to that special intent, although it be not in harmony with a broad purpose manifested in a general statute avoiding assignment of claims against the government enacted some 80 years ago. *In re Rouse, Hazard & Co.* (C. C. A.) 91 F. 96, 100, 101; *Townsend* v. *Little*, 109 U. S. 504, 512; *Washington* v. *Miller*, 235 U. S. 422, 428. This is in accord with general rules of interpretation, as shown in these authorities, and reconciles the section 3477, Revised Statutes, and the act of

1918, if we hold, as we do, that section 3477 does not apply to the assignment of a claim against the United States which is created by the act of 1918, in so far as the act deprives the owner of the patent of a remedy against the infringing private contractor for infringements thereof and makes the government indemnitor for its manufacturer or contractor in his infringements."

d. The Acts of June 25th, 1910 and July 1st, 1918, gave the right to sue the United States so as to make good the just compensation clause of the Fifth Amendment of the Constitution.

We submit that this is consistent with the foregoing citations and that any other view is inconsistent with them as well as being inconsistent with the Constitution of the United States and that the words "reasonable . . . compensation" as used in the Act of July 1st, 1918, mean neither more nor less than the words "just compensation" as used in the Fifth Amendment of the Constitution.

Conclusion.

As the words "reasonable . . . compensation" and "just compensation" mean one and the same thing, it is obvious, under the admissions of the other side, and the decisions of this court, that this petitioner is entitled to recover interest from June 15, 1922 to the date of entry of final judgment.

Respectfully submitted,

O. Ellery Edwards,
Attorney for Petitioner.

Hyman M. Goldstein,
Of Counsel.

Dated, October 14, 1930.

APPENDIX.

The Act of July 1, 1918, c. 114, 40 Stat. 704, 705, amending the Act of June 25, 1910, c. 423, 36 Stat. 851 (U. S. C., Title 35, Sec. 68) provides:

> The Act entitled "An Act to provide additional protection for the owners of patents of the United States, and for other purposes," approved June twenty-fifth, nineteen hundred and ten, shall be, and the same is hereby, amended to read as follows, namely:
>
> "That whenever an invention described in and covered by a patent of the United States shall hereafter be used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, such owner's remedy shall be by suit against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture: Provided, however, That said Court of Claims shall not entertain a suit or award compensation under the provisions of this Act where the claim for compensation is based on the use or manufacture by or for the United States of any article heretofore owned, leased, used by, or in the possession of the United States: Provided, further, That in any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise: And provided further, That the benefits of this Act shall not inure to any patentee who, when he makes such claim, is in the employment or service of the Government of the United States, or the assignee of any such patentee; nor shall this Act apply to any device discovered or invented by such employee during the time of his employment or service."

Fifth Amendment to the Constitution.

"No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

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No. 103

In the Supreme Court of the United States

OCTOBER TERM, 1930

HARRY F. WAITE, PETITIONER

v.

THE UNITED STATES

ON PETITION FOR A WRIT OF CERTIORARI TO THE COURT OF CLAIMS

MEMORANDUM FOR THE UNITED STATES

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OCTOBER TERM, 1930

No. 103

HARRY F. WAITE, PETITIONER

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THE UNITED STATES

ON PETITION FOR A WRIT OF CERTIORARI TO THE COURT OF CLAIMS

MEMORANDUM FOR THE UNITED STATES

The United States does not oppose the petition in this case.

OPINION BELOW

The opinion of the Court of Claims (R. 22) holding that an infringement of petitioner's patent had been committed is reported in 63 C. Cls. 438. The court's memorandum as to damages (R. 31) and its decision refusing to allow interest (R. 33) have not been reported.

JURISDICTION

The judgment sought to be reviewed was entered on February 10, 1930. (R. 33.) A motion for new

trial was overruled on April 7, 1930. (R. 33.) The petition for certiorari was filed on May 7, 1930. (R. 33.) The jurisdiction of this Court is invoked under Section 3 (b) of the Act of February 13, 1925.

QUESTION

The question involved is whether, in determining the "reasonable and entire compensation" which the Act of July 1, 1918, c. 114, 40 Stat. 704 (Appendix, pp. 5–6), provides that a patent owner may recover from the United States for the use by it of his invention, the Court of Claims should include interest on the amount awarded from the date when the use of the invention commenced to the date of judgment. The Court of Claims refused to allow interest in this case. (R. 33.)

STATEMENT

In 1920 letters patent were issued to the petitioner upon a transformer for the production of suitable currents for the operation of a Coolidge X-ray tube. (R. 10, 29.) In 1917 and 1918 the petitioner's company had sold to the United States transformers at a profit of $59.42 per transformer. (R. 29, 30.) In 1921 and 1922 the Wappler Electric Company sold one hundred and one similar transformers to the United States. (R. 28.) In a decision rendered May 2, 1927, the Court of Claims held that the use of these transformers by the United States was an infringement of the peti-

tioner's patents. (R. 22.) After further submission of the case as to the amount recoverable, the Court of Claims gave judgment for the petitioner for $6,001.42, representing the estimated profits of $59.42 per transformer lost by the petitioner because of the use by the United States of the Wappler transformers. (R. 32.) On April 7, 1930, the Court of Claims entered an order overruling a motion for new trial and refusing to award interest. (R. 33.)

DISCUSSION

If the phrase "reasonable and entire compensation," as used in the Act of 1918, has the same meaning as the phrase "just compensation," as used in the Fifth Amendment of the Constitution, it would seem that the court should have allowed interest. (See *Seaboard Air Line Ry.* v. *United States,* 261 U. S. 299; *Brooks-Scanlon Corp.* v. *United States,* 265 U. S. 106; *Liggett & Myers* v. *United States,* 274 U. S. 215; *Phelps* v. *United States,* 274 U. S. 341.) If the phrase in question does not have that meaning, it would seem that the court was right in refusing interest because of Section 177 of the Judicial Code, which provides that "no interest shall be allowed on any claim up to the time of the rendition of judgment by the Court of Claims, unless upon a contract expressly stipulating for the payment of interest." (See *United States* v. *North American Co.,* 253 U. S. 330.) We submit that the

question is one which should be settled by this Court, as it is involved in a number of important cases which are now pending.

Respectfully submitted.

THOMAS D. THACHER,
Solicitor General.
CHARLES B. RUGG,
Assistant Attorney General.
CLAUDE R. BRANCH,
Special Assistant to the Attorney General.
BRADLEY B. GILMAN,
PERCY M. COX,
W. MARVIN SMITH,
Attorneys.

SEPTEMBER, 1930.

APPENDIX

The Act of July 1, 1918, c. 114, 40 Stat. 704, 705, amending the Act of June 25, 1910, c. 423, 36 Stat. 851 (U. S. C., Title 35, Sec. 68) provides in part as follows:

> The Act entitled "An Act to provide additional protection for the owners of patents of the United States, and for other purposes," approved June twenty-fifth, nineteen hundred and ten, shall be, and the same is hereby, amended to read as follows, namely:
>
> "That whenever an invention described in and covered by a patent of the United States shall hereafter be used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, such owner's remedy shall be by suit against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture: *Provided, however,* That said Court of Claims shall not entertain a suit or award compensation under the provisions of this Act where the claim for compensation is based on the use or manufacture by or for the United States of any article heretofore owned, leased, used by, or in the

possession of the United States: *Provided further,* That in any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by a defendant in an action for infringement, as set forth in Title Sixty of the Revised Statutes, or otherwise: *And provided further,* That the benefits of this Act shall not inure to any patentee who, when he makes such claim, is in the employment or service of the Government of the United States, or the assignee of any such patentee; nor shall this Act apply to any device discovered or invented by such employee during the time of his employment or service."

U. S. GOVERNMENT PRINTING OFFICE: 1930

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No. 103

In the Supreme Court of the United States

OCTOBER TERM, 1930

HARRY F. WAITE, PETITIONER

v.

THE UNITED STATES

ON WRIT OF CERTIORARI TO THE COURT OF CLAIMS

BRIEF FOR THE UNITED STATES

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In the Supreme Court of the United States

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ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CLAIMS

BRIEF FOR THE UNITED STATES

OPINION BELOW

The opinion of the Court of Claims (R. 22) holding that the petitioner's patent had been infringed is reported in 63 C. Cls. 438. The court's memorandum as to damages (R. 31) is reported in 69 C. Cls. 153, but its decision refusing to allow interest (R. 33) is not yet reported.

JURISDICTION

The judgment sought to be reviewed was entered on February 10, 1930. (R. 33.) A motion for new trial was overruled on April 7, 1930. (R. 33.)

The petition for certiorari was filed on May 7, 1930 (R. 33), and the writ was granted October 13, 1930 (R. 35). The jurisdiction of this Court is invoked under Section 3 (b) of the Act of February 13, 1925.

QUESTION PRESENTED

In determining "reasonable and entire compensation" recoverable under the Act of July 1, 1918, c. 114, 40 Stat. 704, by a patent owner against the United States for the use or manufacture by or for the United States of his invention, must interest be added to an allowance of profits which the patent owner would have received if the infringing devices had been purchased from him?

STATUTE INVOLVED

The Act of July 1, 1918, c. 114, 40 Stat. 704, 705, is set forth in the Appendix, *infra*, pp. 8–9.

STATEMENT

In 1920 letters patent were issued to the petitioner upon a transformer for the production of suitable currents for the operation of a Coolidge X-ray tube. (R. 10, 29.) In 1917 and 1918 the petitioner's company had sold to the United States transformers of two different grades on which it had realized an average profit of $59.42 per transformer. (R. 29, 30.) In 1921 and 1922 the Wappler Electric Company, at the request of the United States, manufactured and sold 101 similar transformers to the Government. (R. 28.) In a decision rendered May 2, 1927, the Court of Claims

held that the use of these transformers by the United States was an infringement of the petitioner's patents. (R. 22.) After further submission of the case as to the amount recoverable, the Court of Claims gave judgment for the petitioner for $6,001.42, representing the estimated profits of $59.42 per transformer lost by the petitioner because of the use by the United States of the Wappler transformers. (R. 32.) On February 25, 1930, the plaintiff filed a motion for a new trial contending that the court erred in not allowing interest from the date of the commencement of the use. (R. 33.) On April 7, 1930, the Court of Claims entered an order overruling the motion and refusing to award interest. (R. 33.)

The findings of fact do not show the existence of a fixed royalty or the determination of a reasonable royalty. There was a finding as to the actual profit realized by the contractor (R. 29), but this was not used as the measure of plaintiff's loss (R. 32). The court was of the opinion that the plaintiff would have been in a position to make sales to the Government if the infringement had not taken place (R. 32), and it accordingly based its judgment on an estimate of the profits lost by the plaintiff as a result of the infringement (R. 30).

ARGUMENT

The petitioner's claim for interest is predicated on the theory that by reason of the Act of July 1, 1918, c. 114, 40 Stat. 704, 705 (*infra*, pp. 8–9), the

infringement of his patent rights amounted to an appropriation of private property for public use as in eminent domain (*Crozier* v. *Krupp,* 224 U. S. 290) and that under various decisions of this Court, of which *Seaboard Air Line Ry.* v. *United States,* 261 U. S. 299, is a typical example, just compensation includes interest on the value of the property from the date of the taking.

In its memorandum acquiescing in the petition for certiorari, the Government said (p. 3):

> If the phrase "reasonable and entire compensation," as used in the Act of 1918, has the same meaning as the phrase "just compensation," as used in the Fifth Amendment of the Constitution, it would seem that the court should have allowed interest.

This statement was based on the prior decisions of this Court holding that interest was recoverable as part of the compensation required by the Fifth Amendment.

The applicability of this rule to cases involving infringement of patent rights by the United States has not been passed upon by this Court and it may well be that in patent cases interest should be allowed or disallowed in accordance with the rules governing recovery between private litigants. In order that the plaintiff be fully compensated, it is necessary that he recover at least the equivalent of what would be recoverable at law or in equity in a suit for infringement pursuant to R. S. 4921 or R. S. 4919.

In equity recovery may be had of the infringer's profits. Such profits are not liquidated until the court, or a master appointed by the court, has computed them. *Illinois Central R. R. Co.* v. *Turrill,* 110 U. S. 301; *Tilghman* v. *Proctor,* 125 U. S. 136; *Crosby Steam Gage & Value Co.* v. *Consolidated Safety Valve Co.,* 141 U. S. 441. Accordingly, interest is not added unless it appears that the infringement was deliberate and wanton. See *Metallic Rubber Tire Co.* v. *Hartford Rubber Works Co.,* 275 Fed. 315 (C. C. A. 2d).

Damages for infringement, recoverable either at law or in equity, are compensatory and have no relation to the defendant's gain. If such damages are computed on the basis of a fixed royalty for the use of the invention, interest from the date when the royalty was due is recoverable. *K. W. Ignition Company* v. *Temco Electric Motor Co.,* 283 Fed. 873 (C. C. A. 6th).

Interest is also included as a part of the damages, either as a matter of right or in the discretion of the court when damages are computed on the basis of a reasonable royalty. *B. F. Goodrich Company* v. *Consolidated Rubber Tire Co.,* 251 Fed. 617 (C. C. A. 7th); *Consolidated Rubber Tire Co.* v. *Diamond Rubber Co.,* 226 Fed. 455 (S. D. N. Y.), aff'd, 232 Fed. 475 (C. C. A. 2d); *Merrell Soule Co.* v. *Powdered Milk Co. of America,* 7 F. (2d) 297 (C. C. A. 2d); *National Tube Co.* v. *Mark,* 10 F. (2d) 430 (C. C. A. 6th).

In the case at bar recovery was measured by "the sum of the profits which the patentee would have derived from the sales which the infringer's course prevented the patentee from making." *Walker, Patents,* 6th Ed., Sec. 607; *Dallas Brass & Copper Co.* v. *Faries Mfg. Co.,* 1 F. (2d) 930 (C. C. A. 7th); see *Philp* v. *Nock,* 17 Wall. 460; *Farmers' Handy Wagon Co.* v. *Beaver Silo & Box Mfg. Co.,* 259 Fed. 270, 271 (C. C. A. 7th).

We have found but two cases involving the computation of damages on this basis in which the question of interest was raised. In *Rose* v. *Hirsh,* 94 Fed. 177 (C. C. A. 3d), and in *Imperial Machine & Foundry Corp.* v. *United States,* 69 C. Cls. 667, the rule in *Tilghman* v. *Proctor, supra,* was followed in computing damages upon the basis of profits lost to the owner of the patent, and interest was allowed only from the date of the filing of the master's report. There was no discussion of the question in either of these cases. Profits lost by the patent owner are in quite a different category from profits gained by the infringer. *Tilghman* v. *Proctor, supra,* merely holds that the infringer's profits are unliquidated until judicially determined, and accordingly interest runs only from the date of the master's report. Where there is a recovery of damages on the basis of profits lost by the owner of the patent, there would seem to be quite as much reason for an allowance of interest as when such damages are computed upon the basis of an estimated reasonable royalty. There is, indeed, less

certainty in determining reasonable royalties than in computing lost profits, when, as in this case, computation is based upon actual costs and established selling prices of similar machines. Accordingly, we believe that *Rose* v. *Hirsh, supra,* and *Imperial Machine & Foundry Corp.* v. *United States, supra,* are of doubtful authority, and that in this case interest should have been allowed upon profits lost to the patent owner. Such a result will accord with the decisions of this Court in *Seaboard Air Line Ry.* v. *United States,* 261 U. S. 299, *Brooks-Scanlon Corp.* v. *United States,* 265 U. S. 106, *Liggett & Myers* v. *United States,* 274 U. S. 215, and *Phelps* v. *United States,* 274 U. S. 341.

CONCLUSION

We believe that the court below erred in failing to allow interest.

Respectfully submitted.

THOMAS D. THACHER,
Solicitor General.

CHARLES B. RUGG,
Assistant Attorney General.

H. BRIAN HOLLAND,
Attorney.

JANUARY, 1931.

APPENDIX

The Act of July 1, 1918, c. 114, 40 Stat. 704, 705, amending the Act of June 25, 1910, c. 423, 36 Stat. 851 (U. S. C., Title 35, Sec. 68) provides in part as follows:

> The Act entitled "An Act to provide additional protection for the owners of patents of the United States, and for other purposes," approved June twenty-fifth, nineteen hundred and ten, shall be, and the same is hereby, amended to read as follows, namely:
>
> "That whenever an invention described in and covered by a patent of the United States shall hereafter be used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, such owner's remedy shall be by suit against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture: *Provided, however,* That said Court of Claims shall not entertain a suit or award compensation under the provisions of this Act where the claim for compensation is based on the use or manufacture by or for the United States or any article heretofore owned, leased, used by, or in the possession of the United States: *Provided further,* That in any such suit the United States may avail itself of any and all defenses, general or special, that might be pleaded by a defendant in an action for infringement as set forth in Title Sixty of the

Revised Statutes, or otherwise: *And provided further,* That the benefits of this Act shall not inure to any patentee who, when he makes such claim, is in the employment or service of the Government of the United States, or the assignee of any such patentee; nor shall this Act apply to any device discovered or invented by such employee during the time of his employment or service."

U. S. GOVERNMENT PRINTING OFFICE: 1951

SUPREME COURT OF THE UNITED STATES.

No. 103.—October Term, 1930.

Harry F. Waite, Petitioner, *vs.* The United States. } On Writ of Certiorari to the Court of Claims.

[February 24, 1931.]

Mr. Justice Holmes delivered the opinion of the Court.

This is a suit under the Act of July 1, 1918, c. 114, 40 Stat. 704, 705; U. S. Code, Title 35, § 68, to recover for the unlicensed use of a patented invention. The liability of the United States is established by the findings of the Court of Claims and is not disputed. Neither is there any dispute that the profits that the plaintiff would have made are a proper measure of the damages suffered. The Court of Claims however, ruled that interest should not be allowed upon the amount so fixed, and a writ of certiorari was granted by this Court upon that question. 282 U. S. —.

The Government, without formally confessing error, states its belief that interest should have been allowed. The statute grants 'recovery of his reasonable and entire compensation for such use'. We are of opinion that interest should be allowed in order to make the compensation 'entire'. In addition to the purpose of the word adverted to in *Richmond Screw Anchor Co.* v. *United States*, 275 U. S. 331, 343, we cannot doubt that it was intended to accomplish complete justice as between the plaintiff and the United States. See *Seaboard Air Line Ry. Co.* v. *United States*, 261 U. S. 299. *Brooks-Scanlon Corporation* v. *United States*, 265 U. S. 106. *Liggett & Myers Tobacco Co.* v. *United States*, 274 U. S. 215. *Phelps* v. *United States*, 274 U. S. 341.

Judgment reversed.

A true copy.

Test:

Clerk, Supreme Court, U. S.